

NORTH OGDEN CITY COUNCIL BUDGET RETREAT MINUTES

March 29, 2016

The North Ogden City Council convened in an open meeting on March 29, 2016 at 5:05 p.m. at the North Ogden City Office at 505 East 2600 North. Notice of time, place, and agenda of the meeting was delivered to each member of the City Council, posted on the bulletin board at the municipal office and posted to the Utah State Website on March 28, 2016. Notice of the annual meeting schedule was published in the Standard-Examiner on January 2, 2016.

PRESENT: Brent Taylor Mayor
 Lynn Satterthwaite Council Member
 Cheryl Stoker Council Member
 Phillip Swanson Council Member
 Carl Turner Council Member
 James Urry Council Member

STAFF PRESENT: Annette Spendlove City Recorder/HR Director
 Bryan Steele City Administrator / Finance Director
 Mariah Murphy Deputy Recorder
 Rob Scott City Planner
 Gary Kerr Building Official
 Dave Espinoza Public Works Director
 Kevin Warren Police Chief
 Jon Call City Attorney
 Jami Jones City Treasurer

VISITORS: Sue Looney Leonard Looney Landon Martin
 Tiffany Turner Paulsen Morris Avery Hepworth
 Kade Peterson Susan Clements Bob Buswell

Mayor Taylor welcomed those in attendance. Council Member Phillip Swanson offered the invocation and led the audience in the Pledge of Allegiance.

AGENDA

1. PUBLIC COMMENTS

Leonard Looney, 2527 N. 525 E., stated that there was a function Saturday night at the Senior Center that was somewhat loud; he did not call the police, but it was disturbing

and caused a headache. He stated that he decided to go to the Senior Center and ask the users to turn their music down, which they did. He stated it was so loud that he and the person he was speaking to had to go outside of the building to hear one another. He stated he is unsure of any noise restrictions in place in the City or at City facilities, but he and his wife and neighbors feel the Council should consider the proposal they made recently to build a retaining wall and erect a fence between the private property and City property. He stated there is nothing to buffer the noise and he feels the fence may help.

2. DISCUSSION AND/OR ACTION TO ENTER INTO A CLOSED MEETING REGARDING A STRATEGY SESSION TO DISCUSS THE PURCHASE, EXCHANGE, OR LEASE OF REAL PROPERTY AND THE SALE OF REAL PROPERTY §52-4-201(1)(D) AND §52-4-205(1)(E)

Council Member Satterthwaite moved to convene in a closed meeting for the purpose of holding a strategy session to discuss the purchase, exchange, or lease of real property and the character of physical or mental competence of an individual pursuant to State Code §52-4-205(1)(D) and §52-4-205(1)(E). Council Member Stoker seconded the motion.

Voting on the motion:

Council Member Satterthwaite	aye
Council Member Stoker	aye
Council Member Swanson	aye
Council Member Turner	aye
Council Member Urry	aye

The motion passed unanimously.

The Council convened in a closed session at 5:11 p.m.

The meeting reconvened at 7:07 p.m.

3. OVERVIEW OF GENERAL FUND REVENUES

Finance Director Steele used the aid of a PowerPoint presentation to provide the Council with an overview of the preliminary budget information for Fiscal Year 2016-2017. He did not cite specific amounts included in the budget; rather, he simply referred to a document included in the Council packet that contained a summary of General Fund Revenues and Expenditures. He then discussed all tax revenue sources available to the City, noting property tax and sales tax are both projected to increase in the coming budget year by nearly seven percent. He also reviewed projected license and permit revenues,

indicating the total revenues are expected to increase by approximately 46 percent due to major projects scheduled to occur in 2017 throughout the City. The Council engaged in a brief discussion about historical tax revenue and license and permit revenue, with Mayor Taylor noting that City Administration has been conservative in estimating projected revenues for the coming FY. Council Member Urry asked if the City is still charging the \$5 dog license surcharge, to which Mr. Steele answered no; the last time the surcharge was charged was in December of 2015. He then noted that City staff has benchmarked with other cities to determine if it is necessary to increase certain fees charged by the City, such as planning and development application fees. City Planner Scott indicated that any fee increase recommended would simply cover the cost of doing business and hard costs for things like advertising public hearings or notifying the public of a certain development application. Council Member Urry stated he would like a specific breakdown that indicates exactly how a City fee compares with the same fee charged in other cities. Mr. Scott stated the information he has provided gives a rough indication of the information Council Member Urry is asking for. Council Member Swanson stated that he is supportive of fee increases that would cover the cost to do business rather than continuing to subsidize those services with taxpayer money. Council Member Satterthwaite agreed, but agreed with Council Member Urry that he would like for the information to be easily understandable. Council Member Urry stated he wants to be cautious when increasing fees because he does not want fees to be so high that they deter people from developing in North Ogden. Mayor Taylor stated the Council may need to have a philosophical discussion about that issue in the future. He indicated staff can provide the fee breakdown and comparison information that Council Member Urry has requested.

Mr. Steele and Treasurer Jami Jones then continued his review of preliminary budget information including intergovernmental revenues, and charges for services revenues. Ms. Jones expounded on the City's credit card service fee, noting the City is not allowed to charge a service fee for credit card payments of utility bills. She added that convenience fees continue to increase and staff needs direction from the Council regarding whether it is necessary to go in a different direction. Council Member Urry stated that independent credit card companies may offer lower fees than the bank the City is currently using and he suggested that City Administration use that as a bargaining tool. Council Member Swanson stated that he would like for the City to cover the cost of accepting credit cards for various payments. Council Member Urry agreed, but stated he does not believe the City should be making money on the transaction. Mayor Taylor asked Ms. Jones to continue soliciting bids from various service providers to see if it may be possible to move to a system that will decrease the City's costs of accepting credit cards to offset the amount of money the City will lose by not being able to charge service fees for utility bills.

Public Works Director Espinoza discussed street cut fees; he reviewed the chart of recommended street cut fees and noted that the total fee varies based upon the size of the road cut. The Council engaged in a high level discussion regarding the justification for the recommended fees, which led to a discussion about procedural requirements imposed

on contractors or individual homeowners who seek approval of a road cut. Council Member Satterthwaite suggested that the City investigate the option of imposing moratoriums on street cuts in new or recently repaired roads for a certain amount of time. Mayor Taylor indicated staff can research that issue and other procedural issues to determine that those seeking approval of a street cut are charged appropriately.

Mr. Steele continued his review of the tentative budget with explanations for increased fines and forfeitures revenues, miscellaneous revenues, and contributions and transfers income. The Council engaged in a discussion regarding the revenue generated by cell phone tower rentals with a focus on the possibility of collecting a percentage of the cell company's revenue associated with their location on a City facility.

4. DEPARTMENT BUDGETS
A. LEGISLATIVE

Mayor Taylor reviewed the legislative expenditure section of the preliminary budget, noting there have been discussions in the past about possibly decreasing the salary or stipend for elected officials, but since that time the number of meetings the Council participates in has doubled and he thinks that an increase is actually warranted. He then added that the Council has set aside three percent for wage increases for employees and rather than basing increases on performance he would like to implement a simple cost of living adjustment (COLA) program; he proposed that 75 percent of the funding set aside be dedicated to a COLA program and the other 25 percent be dedicated to legislative pay increases.

Council Member Turner stated he has thought a lot about the current Administration of the City and the fact that Mayor Taylor is serving as a full-time Mayor and he is concerned about what could happen in two years if Mayor Taylor were not re-elected. This led to a discussion about the action the Council took in the past when deciding not to fill a vacant City Manager position, with Council Member Swanson emphasizing that Mayor Taylor has a Masters of Public Administration (MPA) degree, which was a qualification for the City Manager position. Mayor Taylor stated he is not asking for a large wage increase; just something small that is similar to what other employees of the City are receiving. Council Member Turner stated he is indifferent to the proposal. Council Member Satterthwaite stated that the Mayor should be treated the same as other employees based on the fact that this is a very unique situation and the work he is performing for the City warrants an increase. He added that if Mayor Taylor decided not to seek re-election in two years he would urge the Council to address the City Manager situation before a new Mayor were sworn into office. Mayor Taylor pointed out that many mayors in other cities are eligible for health and other benefits, but he has declined those types of benefits because he has access to them as a result of his Army service. The Council discussed the option of offering Mayor Taylor a bonus rather than a wage increase and asked Mayor Taylor what he preferred. Mayor Taylor stated that he has no preference. Council Member Stoker stated that the time being dedicated by Department Heads needs to be considered as well and she is hesitant to decrease the amount that was

set aside for all employees because she does not want to get into the same situation the City was in two years ago when employees were very underpaid. Discussion regarding the manner in which the Mayor should be compensated continued, with the group ultimately concluding to make a final decision on the issue during tomorrow's budget retreat meeting.

City Recorder Spendlove then reviewed the capital equipment line item in the legislative budget. She indicated that the funding covers telecommunications equipment for the Council, a camera for the Council Chambers, and microphones for the Chambers. Council Member Stoker emphasized that she is opposed to having a camera in the Chambers or live streaming the meetings. The Council discussed the camera issue, with Mayor Taylor indicating he will gather more information about recording and streaming of meetings before the Council makes a final decision on the issue.

Mr. Steele then reviewed the expenditures associated with the Finance Department; he indicated he has programmed a lower salary for the Finance Director position since he is vacating his position with the City and it is likely that it will be possible to pay his successor less money. The Council indicated they would like to maintain a higher budget in the event that the City finds a candidate with similar qualifications to Mr. Steele and they want to compensate that person accordingly. Mr. Steele reviewed the remainder of the line items included in the Finance budget. The Council engaged in a high level discussion about the Lock Box data management system used in the Finance Department, which has enabled City Administration to free up nearly 20 hours per week of staff time as well as eliminate one part-time employee position. Council Member Urry stated he would like to see a breakdown of what the \$30,000 contract fee covers and if there are other similar programs available.

B. ADMINISTRATION &
C. NON-DEPARTMENTAL

Ms. Spendlove then reviewed the budget line items for the Administration Department, Non-departmental, and Elections. She noted there will be no municipal election in the fall of 2016, but she will need to begin noticing the 2017 election in the spring of 2016, which is why she has included a small amount of money in that budget. The Council asked various questions regarding each of the budgets to gain a better understanding of operations.

D. PLANNING

City Planner Scott then reviewed the line items included in the Planning budget. He noted the increase in salaries is a result of the hiring of an Assistant Planner, who is the only full-time employee in the Planning Department. The Council asked questions regarding various line items to gain a better understanding of operations of the Planning

Department, with a brief focus on engineering costs and training costs. Mr. Scott stated it is very important to provide effective training to the Planning Commission to ensure they are carrying out the duties that have been assigned to them.

E. INSPECTIONS &
F. BUILDING & GROUNDS

Building Official Kerr reviewed the line items included in the Inspections and Buildings and Grounds budgets. He stated the large increase in the building maintenance and utility line item is attributed largely to the need to re-roof the City Hall building and purchase a new table for the conference room in the basement that is large enough to accommodate the number of people that attend various development meetings.

Council Member Urry referenced the expenditures associated with the Senior Center and noted that many residents from Pleasant View City use the facility and may be necessary to ask for a larger contribution from them for operational expenses. Mayor Taylor stated that could be discussed in a future work session meeting.

Mr. Steele stated that the main cause for the increase in the salaries and wages in the inspections budget is associated with the potential to hire a new inspector, but that issue will be discussed in more depth during tomorrow's meeting.

G. POLICE &
H. JUDICIAL &
I. ANIMAL CONTROL

Chief Warren reviewed the line items in the Police and Judicial budgets. The Council asked various questions to gain a better understanding of the operations of the Police Department. There was an in-depth discussion about Police Officer wages and the potential of offering each officer a uniform pay increase rather than giving different amounts to different officers based upon tenure. Chief Warren stated he is proposing that the entry level wage for Police Officer 1 be increased to \$20 per hour as well as giving all officers the same percentage wage increase as would be offered to Police Officer 1 employees; this would result in an overall increase of \$101,472.50 for a total salary expenditure of \$1,888,667.58. Ms. Spendlove noted that the wage recommendations are based on benchmarking that has been done with other agencies; the highest and lowest paid agencies have not been considered. Chief Warren stated that he would prefer to benchmark against cities that are most similar in size and population; he is very concerned about recruiting and retaining quality employees. He stated the core employees of his Department are nearing retirement age and if they all leave at the same time and the City has not moved in the direction of appropriately compensating all officers, it will be difficult to attract quality officers and that will be very problematic for the entire City.

Council Member Urry stated that he believes that the national sentiment towards Police Officers may be part of the reason that quality people are not applying for Police Officer vacancies. Chief Warren agreed, but noted that salary also is a big issue that the City needs to address. Council discussion of Chief Warren's proposal continued, with Chief Warren noting that his employees have been very loyal to the City and they will stay with North Ogden City if they are taken care of. He reviewed the percentages of increase each employee would receive if his proposal were approved and noted that after addressing the issue this year he would be comfortable reverting to three-percent salary increases next year.

Council Member Satterthwaite stated that it is necessary for the Council to consider how different pay increases in the Police Department will impact other Departments in the City. Mayor Taylor stated that is definitely something to be considered, but the Police Department is in a very unique situation currently and he feels that their wage compression issues need to be addressed in order to avoid losing quality employees that will be difficult to replace with people of similar caliber. He acknowledged that other Departments have needs as well, but it is not possible to address all needs in one year.

Chief Warren stated that the City needs to be able to compete with other agencies in order to keep from losing additional employees to those agencies. Council Member Urry stated it will never be possible to compete with some larger agencies. Chief Warren stated the City has lost seven officers in the past two years and not all of them have gone to larger agencies. He stated he knows his employees very well and he feels that eight of his nine officers will stay with North Ogden City if his proposal were approved.

Discussion of wage issues in the Police Department continued, after which Council Member Turner asked that Chief Warren come back to the Council with a breakdown of the cost per employee if the proposal were approved. Council Member Turner stated he would also like to understand the potential increase in benefits associated with the proposal.

Chief Turner concluded his review of the line items in his budget, after which he reviewed the line items in the Animal Control budget.

5. PUBLIC COMMENTS

There were no public comments.

6. COUNCIL / MAYOR / STAFF COMMENTS

There were no additional comments.

7. ADJOURNMENT

Council Member Swanson motioned to adjourn. Council Member Stoker seconded the motion.

Voting on the motion:

Council Member Satterthwaite	aye
Council Member Stoker	aye
Council Member Swanson	aye
Council Member Turner	aye
Council Member Urry	aye

The motion passed unanimously.

The meeting adjourned at 10:47 p.m.

Brent R. Taylor, Mayor

S. Annette Spendlove, MMC
City Recorder

Date Approved